HUMAN RESOURCE MANAGEMENT AND TECHNOLOGICAL CHALLENGES

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SUMMARY:

As new techonologies have developed rapidly, there are also many challenges appears along with the benefits.

In this book, challenges and changes of human resources in small and medium organizations brought by new technologies are mainly focused.

There are 8 chapters in total, all written by different authors.

It involves the organizations in the field of industry, commerce and services.

This book examines how those new technologies affect human resources in the organizations and also how human resources adapt and use them.

CONTENTS OF THE BOOK:

Characteristics of Technology Start-Ups Impacting Human Resource Management

1. *Top Management as HR Agents*

SMEs competitiveness is mainly on formal education and training of its Top Management, but in general the formal qualifications are fairly weaker than those larger companies.

2. *Knowledge Workers as Workforce*

"Knoeledge workers" are people who have high level of expertise, education or experience, and they seek for a different human resouce management. So, they need to be considered when changing or formalizing HRM process.

3. *Scarcity of Resources*

To reach the ambitious goals of the company, recruiting and retaining knowledge workers is of great importance and is also a main barrier for SMEs with their limited resources.

4. *Environmental Dynamism*

Due to the small firm size, SMEs offer additional services and react to the customer complaints faster than the larger firms. Technology startups also operate in niches, which makes the competition not that tough.

5. *Growth Processes*

When governing organizational processes, the Top Management should give more information to the employees. They should invest more in leadership during the process, in case of role confusion, insecurity, loss of velocity, chaos and uncertainty.
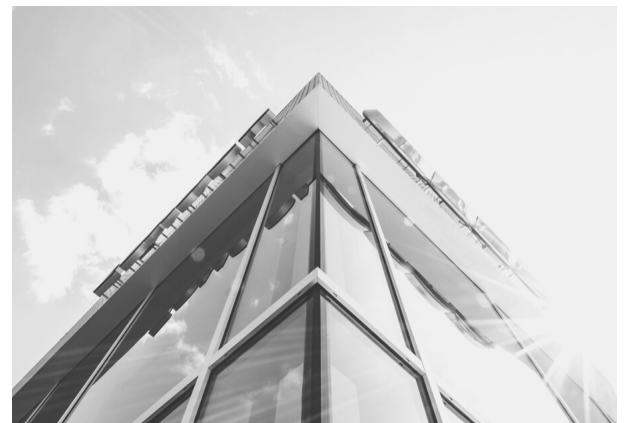
"Not burdened by layers of bureaucracy or entrenched cultural barriers to functional area cooperation, these firms often outmaneuver their larger and older rivals by quickly responding to emerging markets." (p. 50)

Strengths
and
Weaknesses
of HRM in
Technology
Start-Ups

Strengths

- *Flexibility:*

  in technology start-ups, HRM is smaller and more flexible, in order to faster react to changing environments

- *Collaborative Working Environment:*

  project-based working fosters a collaborative working environment and is enabled by a common vision based on the founder's principles

- *Innovative climate:*

  knowledge workers are always seeking for something new; and the culture that sees failures as a part of the innovation process also facilitates new product development

- *Informal communication:*

  information can flow fastly between informal communications, which is suitable for technology start-ups where there are high environmental dynamics

- *Knowledge workers:*

  they are highly autonomously motivated and greatly fit the job design

Weaknesses:

- *Chaos:*

  the flexible contracts make it hard to define people's roles and people switching between projects makes it hard to keep everybody informed of the activities of the projects

- *Structures and rules:*

  the autonomy and independence may become a burden for employees because of the lack of rules and structures. with the enlarging of the firm, the more interpretations of daily processes are needed

- *Control mechanisms:*

  when lack of tracking of working hours and proper project documents, the Top Managers would become insecure, especially when the firm grows

- *Top Management as HR agent:*

  in technology start-ups, the Top Managers are usually not trained in HRM but on technology therefore they may be lack of skills in HRM

"Most difficulties arise when the firm grows in employees, sales, products, or market segments, and thus, the requirements to the HRM system and the organization as a whole change. The previous strengths, which fostered organizational success and growth, can easily switch to weaknesses and endanger the survival of the firm." (p. 57)

Firm's Growth as Challenge for HRM

- *Processes and rules:*
  As the company grows, it becomes hard to handle the rising complexity since the start-ups do not develop structures for this. Many technology start-ups fail because of the lack of functional knowledge and not knowing how to deal with the internal process problems.

- *Communication:*
  The free communication in small firms allow the fast flow of information. While when the firm gets larger, this informal way of communication may make it hard or even impossible for every one to get the information needed. To keep employees motivated, it is necessary to establish a suitable and extensive communication system in the company.

- *Knowledge Management:*
  Every employee is responsible for a certain field or process perspectively. With the firm grows, there will be more and more employees. Thus, it is hard to share the information when the firm grows and having a knowledge management system which can overstretch the whole organization and creating practical and ways to transfer information is of great importance.

- *Top Management:*
  The founders of technology start-ups are always technicians but lack of skills in management and leadership. They want employees to participate actively while the initial stimulus always come from the top management. However, they become overloaded and unable to handle the tasks casually and cannot fully understand the organization's process.

Successful HRM in Technology Start-Ups

"By successful, we mean that practices contribute to high-performance work systems, which are characterized by giving employees the ability, the motivation, and the opportunity to perform well." (p. 61)

- *Recruiting, Development and Induction Creating the Ability for High Performance*

  To recruit employees, the most important point is they fit the firm.
  - For a technology start-up, the necessary element is that the employees need to enjoy the working environment where they can work proactively and be self-dependent. They should have creativity and be confident for themselves and their ideas. Besides, the employees must be passionate about their job and the product, which will result in the fact that they could realize their goals.

 To foster the human resource system in a technology start-up:
  - Employees need to be: independent and autonomous, innovative and creative, proactive and self-dependent, enthusiastic about the product, highly committed to the firm and open for continuous development and change.
  - The Top Management needs to: be aware of the employees' needs, foster and support employees, provide a high level of trust to employees and be open for continuous development and change.
  - Corporate culture needs to support: collaboration, creativity, autonomy, failures and flexiblity.
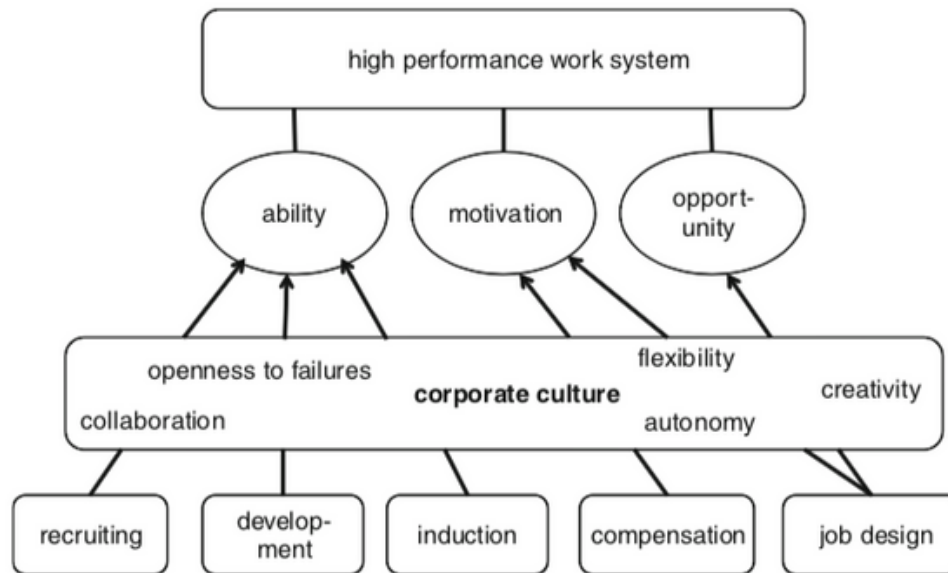
- *Job Design Providing Motivation and the Opportunity for High Performance*

  In technology start-ups, the Top Management should focus on the results and the process how the employees reach the result. Employees have some expert knowledge that the Top Management do not process, so the Top Management should also focus on how to support and foster them and get to know about their needs. Therefore, having a corporate culture is crutial for technology start-ups, having shared values and norms to guide their behaviors, and having trust, discipline, stretch and support at the same time.
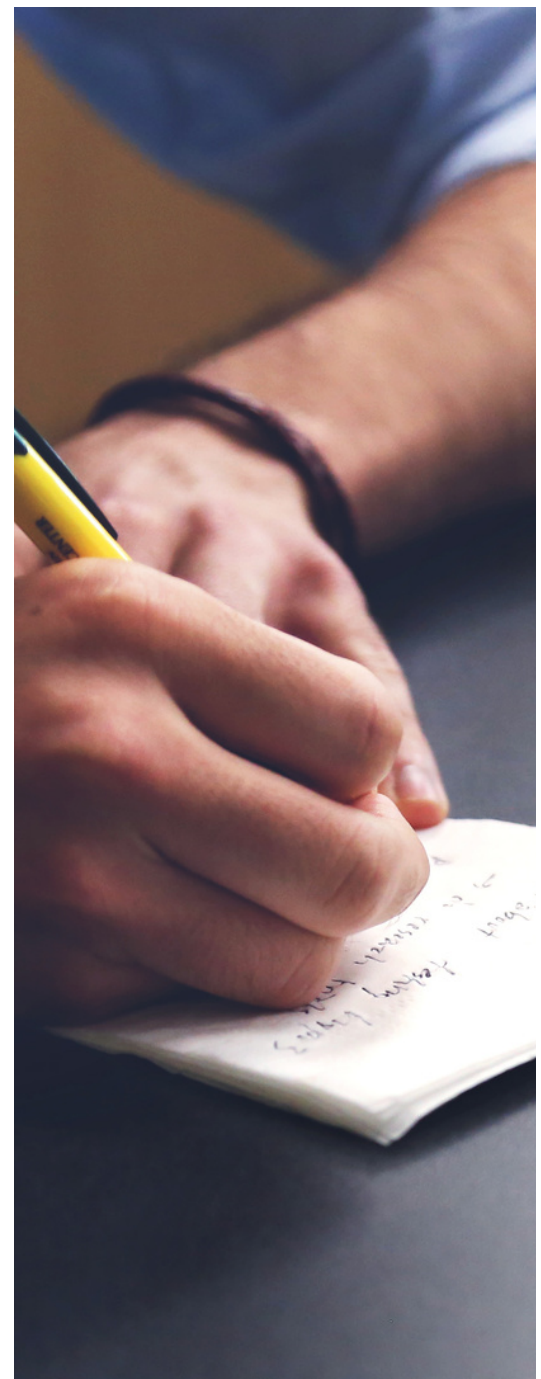
Human Resource Management and the Internet: Challenge and/or Threat to Workplace Productivity?

Researchers always define productivity as both efficiency (the ratio between outputs over inputs) and effectiveness (the relation between outputs and some standards or expectation). While for managers, productivity is any measure that lead to efficiency and effectiveness growth. Managing people in organization is not easy, because organizations need efficient collaborators to make right decisions, but only effective leaders who make the right things in the right way to make great performance and productivity develpment.

The Internet Use During Work Hours

As a good example of technology development, the Internet allows people to establish connection with people in any other regions in the world. However, the inappropriate use of the Internet during work can make some productivity losses. Workers spend a large amount of time using the Internet on online shopping, playing games, chatting with their family or friends and so on; these can all lead to a lost to productive time. Cyberloafing is exactly what it means-- workers use the their organization Internet access to do their personal things during the work hours, including receive and send emails that are not related to work. At the same time, there are also some behaviors of personal using of the Internet that are not cyberloafing but still make no productivity.

In conclusion, when the workers are paid to be productive while they are not doing productive behavior, they are breaking the rules of using the Internet during work. Similarly, they also break the rules when they use employer's resources or materials without authorization.
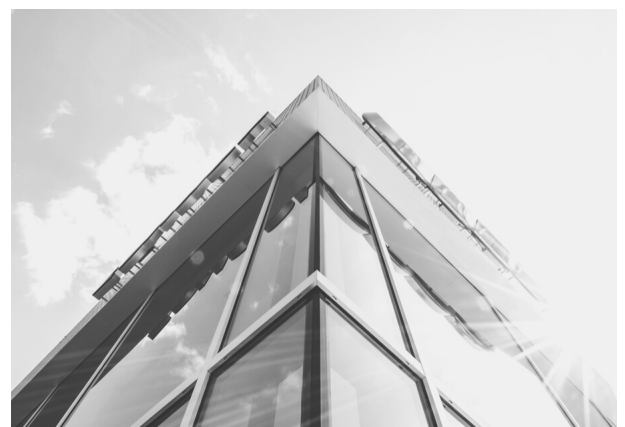
"Although the Internet excessively use can lead to a productivity decrease, if limited, it can improve the worker capabilities to do his job." (p. 155)

**Discussion Question:
In your workplace, do you have any problems or distraction by using the Internet? Do you think it is resolvable by HR making relevant rules?**

The Internet Use During Work Hours: The Positive Side

First, it can reduce a large amount of cost of transactions to produce and distribute goods and services.

And it can increase the efficiency since the Internet make communication much more easier within the organization and with their clients and partners.

Also, it brings benefit to competition, as it makes the price more transparent, flourishes the market for the buyer and seller and will lead to a cost reduction of production.

Besides, the Internet makes work more flexible, allowing the workers and organizations not to be tied in a certain place or time, but with easier access to information. They do not need to be present at the same place, but with the Internet, they still can have conferences, discussions, etc.